



## Instructions for Completing the Annual 2004 Combined Excise Tax Return

The following instructions are provided to help you complete the *Combined Excise Tax Return*. If you need further clarification of a tax classification or credit application, go to Department of Revenue's web site at <http://dor.wa.gov>. To get answers to frequently asked questions and business closure information, click on **Doing Business** then **Your Account**. For assistance in completing your return click on **Excise Tax Returns and Information**. You can also call our toll free number at 1-800-647-7706 to obtain an original.

**DOR Tax Registration/UBI Number:** The nine-digit number above your name and address on your *Combined Excise Tax Return* is your Tax Registration/UBI Number. This number is unique to you and your business. Please be sure to write this number on any attachments to your return, Deduction Detail, page 3, and on your check.

**Rounding:** You may round off to the nearest whole dollar by dropping amounts that are less than 50 cents and rounding up amounts that are 50 cents or more. For example, if your gross sales for the reporting period total \$12,123.48 enter \$12,123.00 on the return. If your gross sales for the period total \$23,334.50, enter \$23,335.00 on the return. Round off all amounts, even the calculated tax due.

▶ **Tax Return Due Date:**

- **Annual due date is the last day of January the following year.**

▶ **Filing Electronically:**

- **If you would like to file your return electronically, please refer to the E-file instructions which can be found on our web site at <http://dor.wa.gov> then click on the E-file logo.**

### INSTRUCTIONS FOR COMPLETING YOUR RETURN

#### Getting Started

*Starting at the top of page 1 below the title and heading:*

1. If you had an address change, indicate the change on the pre-printed address located at the top right of page 1.

Indicate whether this change was a business location, mailing address change, or both by checking the appropriate box.

2. If your business closed during the last year, fill in the appropriate box and indicate the date the business closed in the space provided on page 1. To update your account information or to close your account with the Department of Revenue on-line, go to our web site at <http://dor.wa.gov>. Click on **CONTACT US**, and then select the applicable link under **Your Account**. You can also call us at 1-800-647-7706.
3. If you had no business activity, fill in the appropriate box located above the due date and penalty information. Sign and date your return in the space provided and mail the original form to DOR in the self-addressed envelope enclosed with your return. You may also call DOR's 24-hour automated attendant to file a no business return at 1-800-647-7706.

### I State Business and Occupation (B&O) Tax, Page 1

#### **Lines 1-15**

Locate the proper tax classification for your business activities on lines 1-15.

1. In column 1, on the line for the appropriate B&O tax classification, write the gross income resulting from your Washington business activities.
  1. If you have deductions, enter the total deductions in column 2. (*Deductions must be itemized on pages 3 & 4*). If you have no deductions, write 0 in column 2.
3. Subtract column 2 from column 1. Write this amount in column 3. This is your taxable amount.
4. Multiply each taxable amount in column 3 by the rate in column 4 and write this amount in column 5. Total the amounts in column 5, lines 1-15, and write this amount in the *Total B&O Tax* box.

### II State Sales and Use Tax, Page 1

#### **State Retail Sales Tax, Line 16**

1. On line 16, column 1, copy the amount from line 15, column 1. Amounts on lines 15 and 16, column 1, **must be the same.** (*If you are a printer and publisher, or a processor for hire, special instructions apply. For more information, please visit our web site at <http://dor.wa.gov>. You can also call us at 1-800-647-7706.*)
2. If you have deductions, enter the total deductions in column 2. (*Deductions must be itemized on page 4*). If you have no deductions, write 0 in column 2.
3. Subtract column 2 from column 1. Write this amount in column 3. This is your taxable amount.
4. Multiply the taxable amount in column 3 by the rate shown in column 4 and write this amount in column 5.

#### **State Use Tax/Deferred Sales Tax, Line 17**

1. Write the value of articles used on line 17, column 1.
2. Multiply the amount in column 1 by the rate shown in column 4. Write this amount in column 5.
3. Total the amounts in column 5, lines 16 and 17, and write this amount in the *Total State Sales and Use Tax* box.

### III Local City and/or County Sales and Use Tax, Page 1

#### **Local Sales Tax, Lines 18-22**

1. On lines 18-22, write the location code(s) and rate(s) in the appropriate columns for each location where retail sales took place. If possible, please list location codes in numerical order. For local tax codes and rates, refer to the *Local Sales and Use Tax Summary* sent with your tax return or go to <http://dor.wa.gov>. For examples on determining your location code, refer to page 4 of these instructions.

**Note:** If you need additional space to report local sales taxes, you may attach a sheet with the additional information in the same format as on the return. You may also visit our web site at <http://dor.wa.gov> to download the Local Sales and Use Tax Addendum or request a copy from us by calling 1-800-647-7706.

2. Write your taxable amount for each location code in the Taxable Amount column.
3. Total the amounts in the Taxable Amount column and write this amount in the *Total Taxable* box. **This amount must be the same as line 16, column 3.**
4. Multiply each taxable amount by the local rate. Write the amount(s) in the Tax Due City or County column. **Do not include Motor Vehicle Sales/Leases, Regional Transit Authority, King County Food & Beverage, or Litter taxes here.**
5. Total the amounts in the Tax Due City or County column and write this amount in the *Total* box. Include amounts from the attachment if you have any additional sheets.

#### **Local Use Tax/Deferred Sales Tax, Lines 23-24**

1. On lines 23-24, write the location code(s) and rate(s) in the appropriate columns for each location in which use tax is due. If possible, please list location codes in numerical order. For local tax codes and rates, see the *Local Sales and Use Tax Summary* sent with the tax return. For examples on determining your correct location code and rate, see page 4 of these instructions.
2. Write your value of articles for each location code in the Value of Articles column.
3. Total the amounts in the Value of Articles column and write this amount in the *Total Value of Articles* box. **This amount must be the same as line 17, column 1.**
4. Multiply the value of articles amount for each location by the local rate. Write the result(s) in the Tax Due City or County column. **Do not include Motor Vehicle Sales/Leases, Regional Transit Authority, King County Food & Beverage, or Litter taxes here.**
5. Total the amounts in the Tax Due City or County column and write this amount in the *Total* box.

#### **Motor Vehicle Sales/Leases Tax, Line 25**

Sales, leases, rentals and transfers of motor vehicles (including trucks and motor homes) licensed for on-road use are subject to this tax. The tax does not apply to passenger car rentals subject to the rental car tax.

1. Write the taxable amount in the Taxable Amount column of line 25.
2. Multiply the taxable amount by the rate shown and write this amount in the Tax Due column.

#### **Regional Transit Authority (RTA) Tax, Line 26**

1. For sales occurring within RTA boundaries of King, Pierce and Snohomish counties, write the taxable amount in the Taxable Amount column on line 26.
2. Multiply the taxable amount by the rate shown. Write this amount in the Tax Due column.

#### **King County Food and Beverage Tax, Line 27**

Sales of food and beverages in King County restaurants, taverns and bars, which are subject to retail sales tax, are also subject to this tax.

1. Write the taxable amount in the Taxable Amount column on line 27.
2. Multiply the taxable amount by the rate shown. Write this amount in the Tax Due column.

#### **Litter Tax, Line 28**

Litter tax is owed on the gross sales of products in the following categories:

- |  |   |
|--|---|
| ▪ Food for human or pet consumption (to go orders) | ▪ Newspapers and magazines                  |
| ▪ Groceries  | ▪ Household paper and paper products        |
| ▪ Cigarette and tobacco products                   | ▪ Glass, metal, plastic or fiber containers |
| ▪ Soft drinks and carbonated beverages             | ▪ Cleaning agents                           |
| ▪ Beer and other malt beverages                    | ▪ Toiletries                                |
| ▪ Wine   | ▪ Non-drug drugstore sundry products        |

1. Write the gross proceeds of sales for applicable products in the Taxable Amount column on line 28.
2. Multiply the taxable amount by the rate shown. Write this amount in the Tax Due column.

#### **IV Lodging Taxes, Page 2**

If applicable, the *Lodging Flyer* was sent with your tax return. This flyer includes the rates for Lodging Taxes. To report lodging locations, use the same location codes used for reporting local sales tax, (with the exception of Pierce and King County, see lodging flyer for special location codes.)

#### **Transient Rental Income Information, Lines 36-39**

1. Write the four-digit location code(s) on page 2, lines 36-39, in the appropriate column.
2. Write the income from transient lodging for each location code in the Income column. There is no tax computation required for lines 36-39. Write "0" if there was no lodging income for the reporting period.

#### **Tourism Promotion Area Lodging Charge, Lines 40-43**

1. Write the four-digit location code(s) on page 2, lines 40-43, in the appropriate column.
2. Write the number of unit/days in the appropriate column.
3. Write the unit/day rate charged in the appropriate column.
4. Total the amounts in the Total Charges Due column and write this amount in the *Total Tourism Promotion Area Lodging Charge* box.

#### **Convention and Trade Center Tax, Lines 44-46**

1. Write the location code(s) and rate(s) for each location in the appropriate columns on page 2, lines 44-46.
2. Write the taxable amount for each location in the Taxable Amount column.
3. Multiply the taxable amount by the rate and write this amount in the Tax Due column.
4. Total the amounts in the Tax Due column and write this amount in the *Total Convention & Trade Center Tax* box.

### **Special Hotel/Motel Tax, Lines 47-49**

1. Write the location code(s) and rate(s) for each location in the appropriate columns on page 2, lines 47-49.
2. Write the taxable amount for each location in the Taxable Amount column.
3. Multiply the taxable amount by the rate and write this amount in the Tax Due column.
4. Total the amounts in the Tax Due column and write this amount in the *Total Special Hotel/Motel Tax* box.

### **V State Public Utility Tax, Page 2**

#### **Lines 50-56**

1. In column 1, on the line for the appropriate public utility tax classification, write the gross income from your public utility activities.
2. If you have deductions, enter the total deductions in column 2. (*Deductions must be itemized on page 4*). If you have no deductions, write 0 in column 2.
3. Subtract column 2 from column 1. Write this amount in column 3. This is your taxable amount.
  - a) Total the taxable amounts in column 3, lines 50-56.
  - b) If the total taxable amount is **less than \$24,000 annually**, no Public Utility Tax is due. Write 0 in the *Total State Public Utility Tax* box and proceed to Section VI, Other Taxes.
  - c) If taxable amounts on lines 50-56 column 3 is **greater than \$24,000 annually**, proceed to step 4.
4. Multiply each taxable amount in column 3 by the rate in column 4 and write this amount in column 5.
5. Total the amounts in column 5, lines 50-56, and write this amount in the *Total State Public Utility Tax* box.

### **VI Other Taxes, Page 2**

#### **Lines 57-61**

1. The gross income for tobacco products, refuse collection, petroleum products, and hazardous substance taxes is based on the wholesale value of the product. In column 1, on the line for the appropriate tax classification, write the gross amount.
2. Intermediate Care Facilities for the Mentally Retarded (IMR) on line 61 **only applies to monthly taxpayers**.
3. If you have deductions, enter the total deductions in column 2. (*Deductions must be itemized on page 4*). If you have no deductions, write 0 in column 2.
4. Subtract column 2 from column 1. Write this amount in column 3. This is your taxable amount.
5. Multiply the taxable amount in column 3 by the rate shown in column 4 and write this amount in column 5.

#### **Lines 62-64b**

1. The taxable amount for the solid fuel burning device fee is based on the number of devices sold; the syrup tax is based on number of gallons of syrup sold; and the state enhanced 911, TRS, and WTAP taxes are based on the number of switched access lines, and/or radio access lines (wireless services). On the line for the appropriate tax classification, write the number of items sold in the Quantity Sold column.
2. Multiply the Quantity Sold by the rate shown in the Rate column and write this amount in the Tax Due column 5.

#### **Line 65**

This tax imposes a maintenance fee on nursing home facilities per patient per day and **only applies to monthly filers**.

### **Total Other Taxes, Lines 57-65**

1. Total the amounts in the Tax Due column, lines 57-65.
2. Write this amount in the *Total Other Taxes* box.

### **VII Credits, Page 2**

#### **Lines 66-77**

1. Enter credit amount on the appropriate line(s).
2. Utilize the *Annual Small Business B&O Tax Credit Table* enclosed with your return to determine if you are eligible for this credit. The table can also be found at <http://dor.wa.gov>. If you are eligible, enter the amount on line 72 in the Amount column.
3. Total all credits on lines 66-77, and write this amount in the *Total Credit* box. Transfer this amount to Section VIII, line 33 on page 1 of the return.
4. Attach any documents or schedules required to support your credit(s) to the tax return.

### **VIII Totals, Page 1**

#### **Lines 29-35**

1. Total all tax due amounts on page 1. This includes totals for B&O Tax, State Sales & Use Tax, Local Sales and Use Tax, Motor Vehicle Sales/Leases, RTA Tax, King County Food and Beverage Tax and Litter Tax. Write the total on line 29.
2. Total all tax due amounts on page 2. This includes totals for Lodging Taxes, State Public Utility Tax and Other Taxes. Write the total on line 30.
3. If applicable, write the Total of all Addendums on line 31.
4. Add lines 29-31 and write this amount on line 32.
5. Subtract line 33 from line 32 and write this amount on line 34.
6. If you file this tax return after the due date shown on page 1 of the tax return, you owe a penalty \*. See penalty rates on page 1 of the tax return above the signature line. Multiply the penalty rate you owe by the subtotal on line 34, and write this amount on line 35.

**\* Late Filing Penalties:** Penalty is due on all delinquent returns. However, no penalty applies if tax is not due. If you are filing your return late and are requesting a waiver of the penalty, please fill in the box at the bottom of page 1 and attach a written request to the return. The request must explain the circumstances that caused your return to be late.

The Department may waive the penalties or interest imposed upon finding that the failure to timely pay any tax was due to *circumstances beyond the taxpayer's control*. For more information on penalty waivers, visit our web site at <http://dor.wa.gov> and click on **DOING BUSINESS**, then **Filing Your Tax Return**. You may also call our Tax Express System at 1-800-334-8969 and enter code 429.

7. Add lines 34-35, and write this amount in the *Total Amount Owed* box. This is the amount you owe.

## Finishing Your Tax Return

To help us process your tax return, please:

1. Make sure the gross amounts reported were earned during the reporting period shown on the return.
2. If you have deductions, print your name and DOR Tax Registration/UBI number on the top of page 3, Deduction Detail page.
3. Attach the Deduction Detail page and any credit schedules to your return, if applicable.
4. **Sign and date the return.**
5. **Write a daytime phone number, including area code.**
6. Make a copy of your return for your files.
7. Write your DOR Tax Registration/UBI Number on your check.
8. Make the check payable to: Washington State Department of Revenue.
9. Do not staple your check to the return. Do not mail cash or coins.
10. Mail the **original** return and payment, if due, in the self-addressed envelope enclosed with your return, or mail to the address printed at the top of your return, page 1.

## HELPFUL HINTS FOR REPORTING SALES AND USE TAX

### Determining Location Codes and Local Tax Rates (WAC 458-20-145)

#### Sales of Tangible Personal Property Originating in Washington State

Businesses making sales of products must use the location code that corresponds to the place from where the product was delivered. Usually this is the retail outlet where the sale occurs. If the delivery is made from a warehouse at a separate location, the location of the warehouse determines the correct location code.

- ▶ **Example:** A customer from Gig Harbor orders goods from a store located within the city limits of Tacoma. It makes no difference whether the customer picks up the goods, or the Tacoma store makes the delivery. The sale occurs at the Tacoma store. Thus, the location code and rate for Tacoma apply.

#### Sales of Tangible Personal Property Originating in another State

Businesses making sales of goods that originate in another state must use the location code and tax rate that correspond to the location of the in-state facility, office, agent or other representative that participates in the sale. The buyer's location will determine the location code and tax rate only if the seller has no in-state facility, outlet, agent or other representative that participates in the sale.

- ▶ **Example:** A customer from Olympia orders goods from a business in Los Angeles. The seller has a representative who lives in Federal Way. Thus, the location code and tax rate for Federal Way apply.
- ▶ **Example:** A customer from Wenatchee orders goods from a Minneapolis company that does not maintain an in-state facility, office, agent, or other representative. The location code and tax rate for Wenatchee apply.

#### Sales of Retail Services, Installation and Construction

Businesses performing retail services or selling products requiring significant installation must use the location code that corresponds to the place where the service or installation occurs.

- ▶ **Example:** A Bellevue store sells carpet to a Redmond customer. As a condition of sale, the Bellevue store agrees to install the carpet in the customer's Redmond home. The Bellevue store will collect sales tax at the Redmond rate. (If the Bellevue store merely delivers the carpet without installation, the sale is subject to tax at the Bellevue rate. See prior example for sales of tangible personal property.)

#### Lease or Rental of Tangible Personal Property

For short-term leases, the seller's (lessor's) location determines the applicable tax rate. Short-term leases are generally for less than 30 days and do not require periodic payments.

- ▶ **Example:** A Spokane business rents a rototiller to a customer in Airway Heights for two days. The business will collect the applicable rate for Spokane.

For long-term leases, the customer's (lessee's) location determines the applicable tax rate. Long-term leases are generally 30 days or more and require periodic payments.

- ▶ **Example:** A person in Yakima enters into a 36-month vehicle lease with a Seattle leasing company. The Seattle Company will collect the applicable rate for Yakima.

If you have any questions about properly coding local sales and use tax, you can access the Department's Geographic Information System (GIS) that will identify the proper location code and tax rate for a specific address. GIS is available on DOR's web site at <http://dor.wa.gov>. You can also contact your nearest DOR office, or call (360) 902-7170.

#### Reporting Local Sales and Use Tax Rate Changes (WAC 458-20-199; -235)

Special instructions apply if local tax jurisdictions change tax rates, or due to incorporation, change their four-digit location codes in the middle of a reporting period. When such changes take place, the income must be split on the *Excise Tax Return* between the old rate and the new rate, or the old location and the new location as shown in the examples below.

- ▶ **Example:** The city of White Salmon increased its tax rate effective April 1, 2003. For sales taking place in White Salmon before April 1, the local tax rate was .005. Sales taking place on or after April 1 are taxed at .010.

III LOCAL CITY AND/OR COUNTY SALES AND USE TAX					
Local Sales Tax (Enter applicable rate of tax) Total Taxable Amount, must be the same as line 16, column 3, Taxable Amount					Code 45
Line No.	Location Code	Taxable Amount	Local Rate	Tax Due City or Co.	
18	2003	3,000 00	.005	15	00
19	2003	2,000 00	.010	20	00
20	Reflects January through March income			Reflects April through December income	
TOTAL TAXABLE		5,000 00		95 00	

- ▶ **Example:** The city of Spokane Valley incorporated as of April 1, 2003. For sales taking place before April 1, the local tax is coded to 3200. Sales taking place on or after April 1 are coded to the new location code of 3213.

III LOCAL CITY AND/OR COUNTY SALES AND USE TAX					
Local Sales Tax (Enter applicable rate of tax) Total Taxable Amount, must be the same as line 16, column 3, Taxable Amount					Code 45
Line No.	Location Code	Taxable Amount	Local Rate	Tax Due City or Co.	
18	3200	3,000 00	.013	39	00
19	3213	2,000 00	.016	32	00
20	Reflects January through March income			Reflects April through December income	
TOTAL TAXABLE		5,000 00		71 00	

Persons who have not reported as instructed above when local sales tax changes have taken place must file an amended tax return. For more information on filing an amended tax return, see page 9 of the Business Tax Guide available on our web site at <http://dor.wa.gov>